

**ARKANSAS DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL SERVICES**



REQUEST FOR EXTENSION OF THE ARKids First  
1115 DEMONSTRATION  
PROJECT NUMBER 11-W-00115/6

Submitted to:

Center for Medicaid and State Operations  
Centers for Medicare and Medicaid Services  
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## A. SUPPORTING DOCUMENTATION PROVIDED BY THE STATE

### 1. Program Objectives

The State shall reiterate the objectives set forth at the time the demonstration was proposed and provide evidence of how these objectives have been met.

*The ARKids First demonstration, implemented September 1, 1997, was developed to provide health care to uninsured children (under age 19) whose family income is at or below 200% of the federal poverty level. The objectives of the program were to:*

- *Provide benefits comparable to the State employees insurance program.*
- *Require co-payments and coinsurance beyond those which apply to the traditional Medicaid program.*
- *Integrate uninsured children into the health care delivery system.*

*The objectives were met as follows:*

- a. *Comparable benefits: The ARKids First benefit package is comparable to the QualChoice State employee benefit package. The ARKids First package, though less rich than Medicaid, is a comprehensive health care package with a focus on preventive health care.*
- b. *Require co-payments: There is a \$10.00 co-payment on most health care visits which are not considered preventive health care and a \$5.00 co-payment for prescription drugs. There is a coinsurance of 20% of the Medicaid per diem cost for the first day of inpatient hospitalization and a co-payment of 20% of the Medicaid allowed amount per durable medical equipment item. No co-payment is required for eyeglasses, family planning services, immunizations, medical supplies, prenatal care, and preventive health screenings.*
- c. *Integrate uninsured children into the health care delivery system: The ARKids First demonstration currently provides health care to 59,879 children who were previously uncovered. ARKids First children have access to care through a specified benefit package delivered by the same provider network, which serves traditional Medicaid children. ARKids First children are required to select a primary care physician (PCP) who is enrolled as such in Arkansas' Primary Care Case Management waiver known as ConnectCare. PCPs receive a monthly managed care fee for managing the child's health care including making referrals to specialists, when appropriate.*

## 2. Special Terms and Conditions

The State shall provide documentation of its compliance with each of the Special Terms and Conditions. Where appropriate, a brief explanation may be accompanied by an attachment containing more detailed information.

### 2.1 General Conditions

- a. All Special Terms and Conditions prefaced with an asterisk (\*) contain requirements that must be approved by the Health Care Financing Administration (HCFA) prior to program implementation.

*The State has submitted and received prior approval of all items in the Terms and Conditions, which required prior approval.*

- b. The State will prepare one protocol document that represents and provides a single source for the policy and operating procedures applicable to this demonstration which have been agreed to by the State and HCFA during the course of the waiver negotiation and approval process.

*The protocol was submitted and approved, as required.*

- c. The State will submit a phase-out plan.

*This requirement does not yet apply, since there is 1 year left in the demonstration.*

- d. HCFA may suspend or terminate any project.

*Not applicable.*

- e. The State will comply with:

- 1) General Financial Requirements (Attachment A)
- 2) General Program Requirements (Attachment B)
- 3) General Reporting Requirements(Attachment C)
- 4) Monitoring Budget Neutrality (Attachment D)
- 5) Contractor's Access Standards (Attachment E)
- 6) Operational Protocol (Attachment F)

*Each item (1-6) is addressed in section 2.4.*

## 2.2 Legislation

*The State has complied with all requirements of the Medicaid program not expressly waived for the ARKids First demonstration, including changes that have occurred since September 1, 1997.*

## 2.3 Program Design/Operational Plan

### a. Beneficiary Education and Enrollment

- 1) At the time of implementation, and throughout the demonstration, the State will continue to maintain a sufficient number of beneficiary hotlines (with interpretation services) to accommodate concerns and questions of beneficiaries during standard physician operating hours. The State will monitor beneficiary hotlines in order to ensure that acceptable standards are being maintained.

*The state has monitored hotline calls since the inception of the ARKids First demonstration. However, with the use of internet access, requests for information (including enrollment) via other means has decreased rapidly, since the demonstration was initially implemented. Internet access through locations such as public libraries has increased and thus reduced staff time to man hotlines and respond to inquiries about ARKids First.*

*Attachment A-1 is a sample of the report generated by ConnectCare, whose staff responds to rollover calls from the DMS ARKids First hotline.*

- 2) ARKids First applicants will receive all the educational materials provided to other ConnectCare participants.

*The following information is provided to ARKids First demonstration applicants:*

- *Information concerning the process of selecting a PCP, including the requirement that the applicant must choose a PCP at the time of application or the application will be denied, is contained on the last page of the brochure, ARKids First “Insuring Our Children and Our Future” and is also included in the brochure “Healthy Kids, Healthy Families”. Also the initial application for ARKids First demonstration benefits contains PCP information and allows the applicant to select their first, second and third choice for a*

*primary care physician. If a physician is not selected on the initial application a notice of action (denial) is sent to the applicant along with another form (DCO-2609) informing the applicant that the application will be denied unless a PCP is selected.*

- *Information regarding an individual's right to change PCPs and the frequency with which a change may be made is included in the "Summary of Benefits" pamphlet that is given or mailed to applicants when the ARKids First identification cards are made.*
- *Information concerning the availability of beneficiary hotlines is listed in:*

- *"Insuring Our Children and Our Future" trifold brochure*
- *ARKids "Summary of Benefits" pamphlet*
- *ARKids First web site at [www.arkidsfirst.com](http://www.arkidsfirst.com)*
- *"Prescription for Success" pamphlet*
- *"Healthy Kids/Healthy Families" brochure*

- *Information on the grievance and appeal process is located on the back of the Division of County Operations (DCO), "Notice of Action" or form DCO-700 that is mailed to the applicant/recipient when requesting additional information or taking adverse action.*

- 3) *Enrollees will be entitled to change their PCP selection every 6 months. Enrollees will be entitled to change their PCP selection at any time, without limitation, for good cause.*

*Information regarding PCP enrollment and disenrollment is contained in the "Summary of Benefits" pamphlet which is given to each applicant.*

*Provider satisfaction results indicate very high overall satisfaction with the selected PCP.*

- b. *Coordination of Services: Linkage Agreements – As part of the protocol, the State must describe how PCPs are expected to develop linkage agreements and coordinate care for the beneficiaries.*

*PCP's manage most health care benefits for the ARKids First demonstration population. As such they must refer for services outside of the PCP's medical specialty. In turn these providers provide feedback to the PCP and must request a referral for any additional care beyond the original referral. For example, the PCP may refer the recipient for mental health services; the PCP will receive mental health updates before additional services will be authorized.*

- c. Provider Network: The maximum patient/PCP provider ratio will not exceed 1000:1, including patients other than ARKids First enrollees.

*The only significant change in the provider network has been an increase in PCP providers from 1,633 in May of 1997 to the current number of 1,893, an increase of 260 since the inception of the demonstration.*

d. Access Standards

- 1) The State must demonstrate that ARKids First beneficiaries have an adequate number of accessible facilities, service sites, and allied professional services.

*The state continues to have adequate access and continues to add additional primary care providers weekly through its ConnectCare program. Specialty providers have also been added. Overall capacity of the ConnectCare network is 1,068,207 patients with a remaining capacity of almost 800,000 PCP patient slots. Many providers have remaining vacancies. Recruitment continues through both the EQRO and the Arkansas Medicaid fiscal agent (Electronic Data Services) program provider relations staff to expand access in all locales.*

- 2) Prior to implementation, and annually thereafter, the State must provide HCFA with an updated listing of all participating providers (primary and specialty).

*The State has complied with this requirement.*

- 3) The State will notify HCFA on a timely basis of any significant changes to any provider network that materially affects access and quality of care.

*The State agrees to comply with this requirement.*

- 4) The State must monitor providers to ensure that they are conforming with the standards outlined in the Americans with Disabilities Act.

*Providers agree to comply with the standards outlined in the Americans with Disabilities Act upon signing the provider agreement to provide Arkansas Medicaid services.*

e. Quality Assurance

- 1) Monitoring Plan for PCPs – As part of the protocol, the State will provide its overall quality assurance monitoring plan.

*The Quality Assurance Monitoring Plan was submitted as Section 6 of the Operational Protocol. Quality assurance monitoring activities are performed by Medicaid Managed Care Services (MMCS), a division of the Arkansas Foundation for Medical Care (AFMC – Arkansas' EQRO).*

*Access and quality standards that PCP providers must meet in order to provide services to beneficiaries are addressed in the Division of Medical Services (DMS) provider manual. Standards addressed include the following: the physician must be licensed to practice in his/her state; a copy of the current license must accompany the provider agreement and contract; subsequent renewals must also be provided when issued; the physician (with the exception of a pediatrician) must be enrolled in the Title XVIII (Medicare) Program; and the physician must complete a provider agreement and contract with the Arkansas Medicaid Program and the provider agreement and contract must be approved.*

*Quality assurance for PCPs is reviewed through a multi-faceted approach by focused provider reviews, provider relations staff visits, PCP utilization reports, and HEDIS measures.*

*The AFMC - MMCS provider relations staff also provides active feedback and professional relations with PCP providers to assist in utilization management and quality improvement: PCPs are provided with utilization reports; PCP provider site visits are conducted on a regular basis; and a continual flow of educational material is provided through academic detailing during routine on-site visits and through a quarterly MMCS newsletter.*

*Since the inception of the ARKids First demonstration, AFMC has created and disseminated quarterly PCP utilization reports to ConnectCare PCPs, with ten or more enrollees. PCP providers are able to quickly review summaries of costs and utilization incurred by their patient panel. These reports allow providers to compare their cost and utilization rates to other PCPs throughout the state.*

*Each quarter, PCP providers are ranked, on the previous twelve consecutive months of paid claims, by Total Costs, ER Costs, Prescription Drug Costs, and Total number of ER visits per enrollee. Each quarter PCP providers who appear on any outlier report are tracked. Outlier reports are created from PCP providers who compare unfavorably to the benchmark, which is the statewide average. PCP Providers who appear to be outliers over two quarters are reviewed in detail. Detail reports of all claims are reviewed for possible errors or discrepancies. If the detail data substantiates the PCP provider as being an outlier, he or she receives a focused visit by the provider relations staff to discuss potential problems and issues. Focus visits also occur if requested by the AFMC Corporate Medical Director or management from the Division of Medical Services (DMS).*

*If a PCP provider continues to be an outlier, a second focused visit occurs to again discuss specific issues and answer questions. If, after two visits, a PCP provider remains an outlier, the file is presented to DMS for final review and recommendation.*

*In addition, HEDIS measures are utilized to assess the issue of quality by providers, such as how well preventive care is delivered.*

*Refer to section (A)(5), Quality, for additional information.*

- 2) Quality Improvement – The State, will develop and submit to HFCA a detailed plan for using claims data to pursue health care quality improvement within 90 days of implementation of the demonstration.

*A quality improvement plan was initiated at the beginning of the demonstration period in 1997. The quality improvement plan is being reviewed and will be updated, as appropriate, to reflect current focus areas for the demonstration extension period. The quality improvement plan was submitted earlier, as required. A copy is available upon request.*

*Quality improvement projects, implemented by AFMC, are selected and prioritized in consultation with the Division of Medical Services. The focus is on measuring both utilization of preventive health care services by ARKids recipients, and its improvement.*

*Details may vary from project to project, but a common structure is evident:*

- *Identification of the project topic, based on clinical consensus statements or practice guidelines, data, literature, known concerns, etc.;*
- *Development of study indicators, e.g., measurement of care reflecting compliance with known guidelines;*
- *Pattern analysis based on claims data, project specific chart review, and other administrative data sets, and baseline measurement of study indicators;*
- *Educational feedback and outreach to providers describing the project and its clinical significance, showing individual and facility performance compared to desired norms or goals, encouraging providers to use this information of in-house quality improvement efforts;*
- *And, post-intervention re-measurement to evaluate improvement.*

*Health care quality improvement projects (HCQIP) include numerous components:*

- *A “toolkit” (letter, intervention tools, stickers, buttons, etc.) is developed and distributed to providers for each project implemented.*
- *All projects are promoted and communicated through various AFMC publications targeted at providers (e.g., HCQIP newsletter, Impact Bulletin, MMCS Update, etc.), exhibits, video teleconferences, as well as external publications.*
- *HCQIP projects reach out to the beneficiaries through extensive advertising via television, radio, cinema, newspapers, and periodicals.*
- *Provider responses to projects and project related intervention tool orders are documented and tracked: patterns are analyzed to determine project effectiveness.*

*Three specific HCQIP projects include: 1) “Save the Antibiotic. Don’t Use it When You Don’t Need It”, 2) “Don’t Let Asthma Slow You Down”, and 3) “Take Good Care of Your New Baby”.*

*More detailed information regarding each project, such as specific number of intervention tools distributed or ordered by providers and on-going activity for each project are documented in the MMCS Quarterly Reports submitted to CMS each quarter. Additional copies of the quarterly reports are available upon request.*

- 3) Beneficiary Survey – Within 15 months of implementation, the State will contract for a beneficiary survey. Results of the survey must be provided to HCFA by the 18<sup>th</sup> month of project implementation. Thereafter, the State will conduct annual beneficiary surveys.

*AFMC conducted recipient satisfaction surveys for recipients enrolled in the ARKids First demonstration using the CAHPS (Consumer Assessment of Health Plan Surveys) model. The surveys are conducted on an annual basis.*

*Surveys of the parents and or guardians of ARKids First recipients were conducted in September 1998, November 1999, and October 2000. The below chart summarizes the findings of the 1998, 1999, and 2000 surveys. As demonstrated by the data, the recipient satisfaction with the ARKids First demonstration is high.*

<b>Program Area Rated</b>	<b>1998</b>	<b>1999</b>	<b>2000*</b>
<i>Percent of recipients who felt it was easy to find a doctor from the list of ARKids First providers with whom they were happy.</i>	94	97	96
<i>Percent of all recipients who reported it was always or usually easy to get a referral to see a specialist.</i>	87	95	96
<i>Percent of recipients surveyed who said that they always or usually: saw their own doctor rather than someone else; saw a specialist when needed, received needed medical help or advice when they called a doctor's office during regular daytime hours; and received the tests or treatment they thought their child needed.</i>	86	90	91
<i>Percent of respondents who said they always or usually received care without long waits.</i>	83	85	81
<i>Percent of parents surveyed said that their doctor's office always or usually treated with courtesy and respect and were helpful.</i>	92	94	93
<i>Percent of respondents who thought that their doctor always or usually communicated well with them.</i>	93	94	94

\* The 2000 survey results, which are shown, are draft

*Survey results are attached. See Attachments A-2, 1998 survey, A-3, 1999 survey and A-4, 2000 survey.*

- 4) Grievance and Appeal Process – The State will monitor the grievance and appeal process.

*The Hearings and Appeal process for ARKids First demonstration applicants and recipients is handled in the same manner as any other Medicaid Hearing or Appeal. The Hearing and Appeals Unit of the Office of Chief Counsel schedules and handles Fair Hearings and Appeals for Medicaid applicants and recipients including ARKids First.*

f. Copayments

- 1) For ARKids First enrollees, copayments will apply, as appropriate, for all services with the exception of immunizations, preventive health screening, family planning and prenatal care. Copayments range from \$5.00 per prescription to 20% of the first day's hospital per diem. There is a \$10.00 copayment for most out patient services.

*Copayments remain as specified in the original demonstration. Reference (A)(1)(b) for additional information.*

- 2) Copayments will be collected by providers, and will be deducted from the total reimbursements amount paid to them.

*The copayment process remains as specified in the original demonstration.*

## 2.4 Attachments

### (A) General Financial Requirements

*The information for this Attachment will be submitted at a later date.*

### (B) General Program Requirements

*Attachment B is not applicable at this time.*

### (C) General Reporting Requirements

*The State is in compliance with the reporting requirements delineated in Attachment C, items 2 – 7. Regarding item 1, the State has not reported ARKids First demonstration beneficiaries separately on the HCFA-416 however, we have amended the reports and will begin to submit separately for the current FFY which is due by April 1, 2002.*

### (D) Monitoring Budget Neutrally For The Arkids First Demostration

*The information for this Attachment will be submitted at a later date.*

### (E) Contractors' Access Standards

*The State imposes the access standards delineated in Attachment E on its PCCM provider network and monitors compliance through evaluation of the provider network counts and locations, undercover calls, complaint and grievance tracking, and through recipient satisfaction surveys.*

### (F) Operational Protocol

*The State developed a detailed protocol, which addressed items 1-11 specified in Attachment F.*

### **3. Evidence of Beneficiary Satisfaction**

The State shall provide summaries of the results of any beneficiary surveys performed during the period of the demonstration, along with the results of any baseline surveys performed prior to the implementation. In addition, summaries of complaints, grievances, and appeals and their resolution should be provided.

*In an effort to continuously improve the quality of care delivered to children through the program, Medicaid Managed Care Services, a division of the Arkansas Foundation for Medical Care (AFMC – Arkansas' EQRO) has surveyed the parents of ARKids First recipients annually since 1998. AFMC has used the Consumer Assessment of Health Plan Surveys (CAHPS) program and followed its survey protocol. CAHPS was scientifically designed to measure and report experiences that form consumer and health care satisfaction. This tool was jointly developed by the Harvard Medical School, RAND and the Research Institute, and funded by the Agency for Health Care Research and Quality (AHRQ). Please reference section (A)(2.3)(e)(3) and Attachments A-2, A-3 and A-4.*

### **4. Documentation of Adequacy and Effectiveness of the Service Delivery System ( Including Subcontractor Performance)**

The State shall provide evidence of sufficient availability under the demonstration, utilizing, where possible, Geo-Access or other geographically-based systems to support this conclusion. Also, the State shall provide summaries of provider monitoring or other reports documenting whether services have been delivered in a timely and effective manner.

*The State monitors the adequacy of the service delivery system on a continuous basis. Provider network listings are updated weekly and the resulting reports are analyzed for issues such as PCP capacity by county.*

*Additionally the state produces a directory by county that lists PCPs, their office hours and their alternative language capabilities. These directories are available for participant use in selecting a PCP for the first time or for a change of their choosing.*

## 5. Quality

The State shall provide summaries of External Quality Review Organization (EQRO) reports, managed care organization (MCO) and State quality assurance monitoring, focused clinical reviews and any other documentation of the quality of care provided under the demonstration.

a. *External Quality Review Organization:*

*The State has had a contract with AFMC, as its EQRO, since 1997 to perform ARKids First EQRO reviews and reports. These reports are submitted quarterly to CMS. Additional copies are available upon request.*

b. *State Quality Assurance Monitoring and Focused Clinical Reviews:*

*Quality assurance monitoring (QA) and focused clinical reviews are performed, under contract, by AFMC. QA monitoring is performed through a multi-faceted approach by HEDIS measures, focused clinical reviews, provider relations staff visits, and PCP utilization reports.*

*To help ARKids First and Arkansas Medicaid compare their performance in various clinical areas to other Medicaid and managed care organizations around the country, several HEDIS measures have been calculated over the last three years. HEDIS (Health plan Employer Data Information Set) is a set of standardized performance measures sponsored, supported, and maintained by the National Committee for Quality Assurance (NCQA). HEDIS allows reliable comparisons between health plans and addresses issues such as care of adults, care of children, accessibility of care and how well preventive care is delivered. HEDIS is updated annually to allow the incorporation of new measures as well as the modification and refinement of existing measures. Since the ARKids First and Medicaid populations in Arkansas consist mainly of women and children, AFMC has concentrated on measures relating to them. ARKids First and Arkansas Medicaid use a Primary Care Case Management (PCCM) program in which physicians are paid a monthly managed care fee for each recipient enrolled with him/her. AFMC uses these managed care fee claims to identify the denominators for the HEDIS measures calculated. Results from ARKids First and Arkansas Medicaid HEDIS measures are compared to national measures. Attached is a summary document of HEDIS measures for the ARKids First program only (Attachment A-5).*

*Examples of QA Monitoring (other than HEDIS)*

- AFMC has recently begun analyzing claims from the ARKids First preventive health screens and Medicaid's EPSDT (Early and Periodic Screening, Detection, and Treatment) program. This project focuses on*

*utilization; the main objective is to determine the proportion of eligible recipients that are actually receiving ARKids First preventive health screens and EPSDT screens. AFMC has created HEDIS-like measures by adding age and enrollment criteria to the population being measured.*

- AFMC also reviews hospital inpatient services both concurrently and retrospectively to promote effective, efficient, and economical delivery of health care services of proper quality and assurance that such services conform to appropriate professional standards. The purpose is to assure that such services are determined to be medically necessary, consistent with professionally recognized health care standards and provided in the most appropriate setting and location. A prior authorization review of selected procedures is also performed to determine appropriate setting and medical necessity of the procedure.*

*Refer to section (A)(2.3)(e)(1) for additional information.*

## **6. Compliance with the Budget Neutrality Cap**

The State shall provide financial data (as set forth in the Budget Neutrality Terms and Conditions) demonstrating that the State has maintained and will maintain budget neutrality for the requested period of extension. HCFA will work with the State to ensure that Federal expenditures under the extension of this project do not exceed the Federal expenditures that would otherwise have been made. In doing so, HCFA will take into account the best estimate of current trend rates at the time of the extension.

*The State will submit this portion at a later date.*

## **7. Adequacy of Financing and Reimbursement**

The State shall provide evidence such as levels of provider participation, cost analyses, or other means, which illustrate the adequacy of financing of the demonstration.

*The State will submit this portion at a later date.*

## **B. PUBLIC NOTICE**

1. To obtain input from all interested parties regarding the possible continuation of its demonstration program, the State shall establish a public notice process in accordance with the provisions published in the Federal Register on September 27, 1994.

*The State published a notice in the Arkansas Democrat-Gazette on June 1<sup>st</sup>, 2001, regarding its intent to request an extension of the ARKids First demonstration project through August 31, 2005. A copy of the ARKids First demonstration project summary was available upon request. Comments were invited through June 30<sup>th</sup>, 2001.*

2. The State shall provide HCFA summaries of all comments received and respond to any unanswered issues raised in the course of the public notice process.

*No requests were received for a copy of the ARKids First demonstration project summary and no comments were received regarding the extension of the project.*